

Gemfields plc

(“Gemfields” or the “Company”)

Results - Singapore Rough Ruby Auction

9 December 2014

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly higher quality rough ruby extracted by Montepuez Ruby Mining Limitada (in which Gemfields has a 75% interest) from the Montepuez ruby deposit in Mozambique. The auction was held in Singapore from 3 to 8 December 2014 and marked Gemfields’ second auction of rough ruby.

Highlights

- Auction revenues of USD 43.3 million, the highest ever achieved at any Gemfields auction;
- Average realised price of USD 689 per carat, the highest ever achieved at any Gemfields auction;
- 62,936 carats sold (74%) out of the total of 85,491 carats offered; and
- The two Montepuez auctions held since June 2014 have generated USD 76.8 million in aggregate revenues.

A total of 50 companies bid in what was Gemfields’ second-ever ruby auction, the first having been held in June 2014. The auction results of the two Montepuez auctions held to date are summarised below:

| AUCTION RESULTS (RUBY & CORUNDUM) | DECEMBER '14 AUCTION | JUNE '14 AUCTION |
|---|-----------------------------|-----------------------|
| Dates | 3-8 December 2014 | 12-17 June 2014 |
| Location | Singapore | Singapore |
| Type | Rough Ruby (Higher Quality) | Rough Ruby & Corundum |
| Carats offered | 85,491 | 2.03 million |
| Carats Sold | 62,936 | 1.82 million |
| No. of companies placing bids | 50 | 55 |
| No. of lots offered | 41 | 62 |
| No. of lots sold | 35 | 57 |
| Percentage of lots sold | 85% | 92% |
| Percentage of lots sold by weight | 74% | 90% |
| Percentage of lots sold by market value | 97% | 91% |
| Total sales realised at auction | USD 43.3 million | USD 33.5 million |
| Average per carat sales value | USD 688.64/carat | USD 18.43/carat |

Given the focus on higher quality rubies at this auction, all lots were offered on an untreated basis (in contrast to the June auction, where Gemfields offered both untreated and treated material, with all of the treated lots being offered using industry-accepted treatment techniques and on a fully disclosed basis).

The overall diversity of auction attendees increased noticeably with Austria, China, Germany, India, Israel, Japan, Sri Lanka, Thailand, the United Kingdom and the USA all represented. Refinements made to Gemfields’ pioneering grading system for rough rubies since the June 2014 auction were widely acclaimed by auction participants.

In November 2014, Gemfields announced that an exceptional 40.23 carat rough ruby from Montepuez would form part of the December auction. The ruby was successfully sold, with the price remaining undisclosed given the principles on which Gemfields’ auctions are conducted.

In recognition of the successful sale of this exceptional ruby (dubbed the “Rhino Ruby” given its size and characteristics), Gemfields has committed to supporting the anti-rhino-poaching aircraft operated by Game Reserves United (<http://gamereservesunited.co.za>), thereby contributing to a material proportion of its flying costs for the 2015 calendar year.

The proceeds of this auction will be fully repatriated to Montepuez Ruby Mining Limitada in Mozambique, in which Gemfields owns 75%, and with all royalties due to the Government of Mozambique being paid on the full sales price achieved for these rare gems at auction.

At 30 September 2014, when Gemfields last provided a quarterly production update, total ruby and corundum extracted at its Montepuez mine since the commencement of bulk sampling stood at 11.3 million carats.

The next Gemfields auction of material from Montepuez will be of predominantly lower quality ruby and corundum and is presently expected to take place before 30 June 2015.

The auction was also the third Gemfields auction of the current financial year (ending 30 June 2015). The first and second auctions of the current financial year were of predominantly higher (in August) and lower (in November) quality emerald and beryl from the Kagem emerald mine respectively. Gemfields' aggregate consolidated revenues from rough gemstone sales for the financial year to date (which ends 30 June 2015) stands at approximately USD 94 million. Gemfields' 19 auctions of rough gems from Kagem and Montepuez have now generated USD 387.4 million in total revenues.

Ian Harebottle, CEO of Gemfields, commented:

"We are delighted to announce yet another set of record-breaking auction results. The Montepuez ruby deposit, coupled with Gemfields' transparent and well-regarded auction platform, have had an indelible and positive impact on the global ruby market and we look forward to participating in the continued growth of this industry. Customer response has been overwhelming, underscoring the potential for the Gemfields model."

"I am very pleased that the sale of our exceptional 40.23 carat African ruby will assist in countering rhino poaching. Due to the size and character of this ruby, and the sheer magnitude of the challenge of protecting African rhinos, my colleagues and I have named it the 'Rhino Ruby' and we look forward to following its progression from its current rough form all the way through to a faceted gem and finally being set in a magnificent piece of jewellery."

"The three auctions we have hosted so far this financial year, two of emeralds and one of rubies, have yielded aggregate revenues of USD 94 million, a superb performance for Gemfields which every member of our devoted and disciplined team should be deservedly proud."

"Our gratitude goes again to Mwiriti, our 25% partners in the Montepuez deposit, to our hard-working team right across the Gemfields group, and to the Mozambican government, with whom we continue to work to address the illegal ingress across Mozambique's borders of foreign citizens seeking to profit from the Montepuez deposit, an increasingly pressing issue."

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Notes to Editors:

Gemfields plc is the world's leading supplier of responsibly sourced coloured gemstones and is listed on the AIM market of the London Stock Exchange (ticker: GEM) where it is a constituent of the AIM50 index.

In July 2009, Gemfields commenced a formal auction programme for Zambian emeralds mined at the Kagem emerald mine. To date, the Company has held seventeen auctions of emerald and beryl produced at Kagem and which have generated revenues totalling USD 311 million. The Company has also held two traded emerald auctions (of gems not obtained directly from the Company's own mining operations) which generated revenues of USD 22.0 million.

The Company also owns a 75% stake in the highly prospective Montepuez ruby deposit in Mozambique as well as licences in Madagascar including ruby, emerald and sapphire deposits. Gemfields' two auctions of rough ruby and corundum from Montepuez have generated revenues of USD 77 million. In addition, Gemfields holds a 50% interest in the Kariba amethyst mine in Zambia.

Gemfields acquired the Fabergé brand in January 2013 to create a globally recognised coloured gemstone champion. Fabergé provides Gemfields with direct control over a high-end luxury goods platform and a global brand with exceptional heritage.

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